

FINANCIAL UPDATE

CITY COUNCIL APPROVES 2009 PROPERTY TAX LEVY

**I**N AN EFFORT TO MAINTAIN an affordable price for City services, the Bloomington City Council adopted a property tax levy for 2009 of \$43,315,480, an increase of 3 percent from 2008.

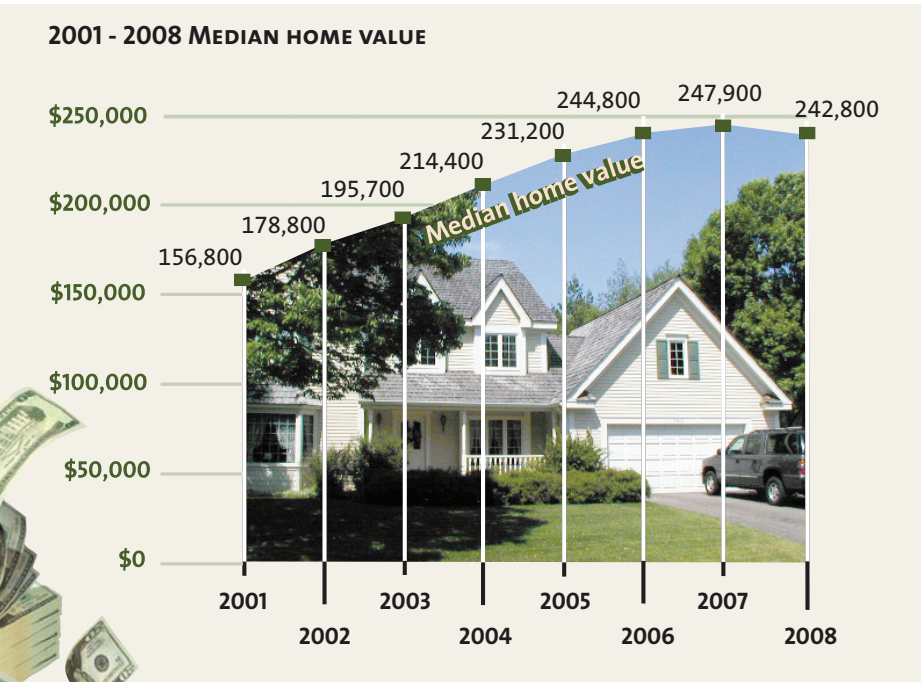
Based on this tax levy, the City’s portion of 2009 total residential property taxes – approximately 29 percent – will have increased from \$62.82 per month in 2007 to \$64.81 per month in 2009, for a median-value home assessed at \$242,800. Having experienced a slight decrease to \$61.96 for 2008, property taxes have increased an average of \$1 per month over the past two years.

As specified by state law, property values used for 2008 pay 2009 taxes and are based on 2007 property sales. Home sales in 2008 reflect the continuing housing downturn and will be the basis for the 2009 assessment for taxes payable in 2010. Total market value for all Bloomington properties was nearly level at \$11.8 billion for taxes payable in 2008 and 2009.

CONSERVATIVE INCREASE

“Including the 2009 increase, the City’s total levy dollar increase averaged 4.68 percent annually over the last 10 years,” explained Chief Financial Officer Lori Economy-Scholler. “Part of the increase was due to the City not receiving \$6.7 million in market value credit from the State of Minnesota, as well as reflecting about 1 percent in new community growth.”

The City’s strong financial position and conservative spending pattern have helped keep tax increases low as evidenced by the City’s achievement of the highest bond ratings from Standard and Poor’s, Moody’s and Fitch credit rating agencies. Part of the reason for those high rankings is that the City models most of its major funds over a 5- to 10-year timeframe and anticipates that there will be economic cycles in those timeframes. The City



developed strategies in the 1990s to deal with normal cycle variation.

In setting the City’s property tax levy for both 2008 and 2009, the City Council had anticipated that it may again lose some or all of its Market Value Homestead Credit and had not budgeted to receive that money for its operations. The wisdom of this was confirmed when the Governor “unallotted” all of the City’s second-half payment for 2008, which would also seem to indicate the City would not see any of its 2009 credit. As such, the City has not had to reduce its service levels – some of which expect increases in demand during economic downturns.

REAL ESTATE MARKETS

One of Bloomington’s strengths when it comes to spreading tax burden is the balanced nature of real estate located in the city. Historically, tax capacity in Bloomington has been split approximately in half between residential, including apartment uses, and commercial/industrial uses.

“This balance helps smooth out citywide tax base changes since markets for varying types of property don’t always move in synch,” said Bloomington City Assessor Jack Pasternacki. “For example, as

residential markets started to slow in the past couple of years, commercial/industrial values were still quite strong. The current economic climate, however, is having a more uniform negative impact on real estate values of most property types.”

Taken in a larger context, Bloomington’s housing market has shown growth over the past decade. Even with the recent price corrections, a look at the 10-year trend shows that Bloomington’s median home value has gained significantly. *See chart above.* For commercial/industrial properties, completion of two new office buildings will help to offset some of the current weakness in the market. Additional significant new developments are in the planning stages.

RESPONSIBLE BUDGETING

The City made adjustments in 2002 through 2009 for declining local revenues. Even with the anticipated loss of state monies in 2009, the City has an ongoing commitment to provide cost-effective services while minimizing increases.

For more information, contact Chief Financial Officer Lori Economy-Scholler at 952-563-8791 or [leconomy@ci.bloomington.mn.us](mailto:leconomy@ci.bloomington.mn.us).

PUBLIC WORKS INNOVATOR

BLOOMINGTON UTILITIES SUPERINTENDENT HONORED

**B**LOOMINGTON UTILITIES Superintendent Bob Cockriel was recently named Superintendent of the Year by the Minnesota Public Works Association.

This very prestigious award recognizes those in the public works field who have made significant contributions to the profession. To qualify for the award, nominees must have displayed innovative applications of new or existing technologies, equipment, project management and service delivery systems, in addition to outstanding efforts in career development, personal growth and team building.

Cockriel has more than 30 years of service, including the last 15 years with the City of Bloomington. Cockriel received his bachelor’s degree in public administration from Metropolitan State University. He also holds a master’s degree in infrastructure systems engineering from the University of Minnesota.

“I view this award as positive recognition of Bloomington’s City Council, professional administration and dedicated employees, who make it a pleasure to serve this community.”



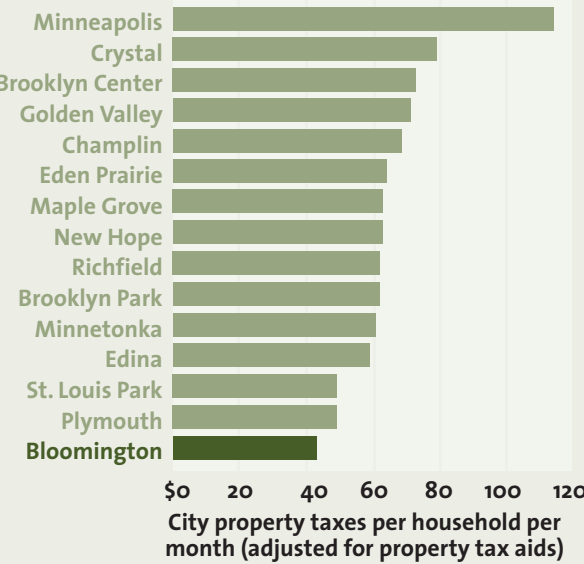
GOT RABBIT EARS?

LISTEN UP FOR INFORMATION YOU NEED TO KNOW

**S**OON ALL TELEVISIONS will broadcast only in digital. Residents who rely on antennas (including “rabbit ears”) to receive broadcast signals on TV sets will need to obtain separate digital-to-analog converter boxes to watch over-the-air TV. These boxes receive digital signals and convert them into analog format for display on analog TVs. Analog sets connected to such converter boxes will display digital broadcasts, but not necessarily in the full, original digital quality. All other TV components, such as VCRs and DVD players, will work as they did before the conversion.

For more information, call the Federal Communications Commission at 1-888-225-5322 or visit the Commission’s digital television website at [www.dtv.gov](http://www.dtv.gov).

AVERAGE HOUSEHOLD COST OF SERVICES IN 2008



AVERAGE HOUSEHOLD COST OF SERVICES IN 2008 FOR 15 HENNEPIN COUNTY CITIES

In a 2008 comparison of 15 communities in Hennepin County with more than 20,000 residents, the average household cost of services in terms of property taxes and property tax aids (when adjusted for fiscal disparities) showed Bloomington ranking lowest, with the average household paying \$43.63 per month in property taxes to the City. The comparison was based on almost 38,000 Bloomington households, including single-family homes, apartments and condominiums. Data from the League of Minnesota Cities is incorporated in the graph *at left*. For a breakdown of what the average single-family homeowner pays for specific City services, *see the chart on page two*.

